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MEMORANDUM FOR: Director of Central Intelligence

VIA : Acting Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Use of CIARDS

1. Action Requested: That you affirm that there will be no liberalization of the criteria for participation in the CIA Retirement and Disability System (CIARDS) to ease the forthcoming reduction in the Directorate of Operations.

2. Background: Some employees who will be directly affected by the forthcoming reductions in the DDO will suffer serious disruption to their professional careers and to their personal situations. While the Agency will do all it can to help them within the limits allowed, we can expect efforts, perhaps even strong pressures, to liberalize the use of CIARDS to ease the situations of such employees.

STATINTL

The criteria for determining qualifying service in CIA are set forth in HR [REDACTED]. Briefly, these require overseas service, service which has a substantial risk to life or health, which requires the continued practice of tradecraft under conditions of most stringent security, or which is so specialized that it may not be disclosed when an employee applies for jobs outside the Agency, thus affecting his chances for employment for which he is otherwise qualified. It is to be noted that the element of sensitivity per se is not a sufficient justification for inclusion in CIARDS.

A Retirement Board, consisting of senior Agency officials, is charged with the responsibility of reviewing requests for admission to CIARDS. The Agency has, except for one brief period, always applied these criteria strictly but fairly. The Congress, in enacting CIARDS, gave the Agency considerable latitude in administering the System. At the same time, Congress was concerned with ensuring that the Agency not apply CIARDS too liberally or freely so as to violate the intended purpose of the legislation. The Congress therefore required the Agency to clear its regulations on CIARDS with the Congress before beginning the administration of the System. Even at

that, the regulations are purposefully vague because Congress did not want to tie the Director's hands in the administration of the System. It remained the clear understanding of all parties concerned, however, that the Agency would administer CIARDS within the spirit of the legislation and thus ensure that it was applied only to "certain" employees as reflected in the title of the Act.

In the 13 years since CIARDS was enacted, the Agency has administered the System in compliance with the intent and the spirit of the Act, except for one period of time when the Agency did deviate from this strict compliance by liberalizing the use of CIARDS to meet a reduction caused by a personnel surplus and to fill to some degree the quota of retirements authorized for the first five years of the System. It was not long after 1969 that Agency managers agreed that the deviation was a serious mistake. During subsequent reductions due to personnel surpluses, many employees and some elements of management attempted to use a liberalized version of CIARDS, pointing to the deviation in 1969 as a precedent. Top management repeatedly confirmed that the deviation in 1969 was not to be considered a precedent and that the Agency would continue with the strict compliance in the application of CIARDS.

In 1976, during the hearings on proposed amendments to CIARDS, Congressman Stratton voiced his views that the Agency was not designating participants in line with the intention of Congress. His views were persuasive enough to cause the other members of the committee to agree to require from the Agency a report on how the System had been administered, with emphasis on the method for designating participants, and to require a similar report annually thereafter. The annual report submitted in October 1976 was prepared by a completely objective investigator, Mr. Andrew Ruddock, who, for many years, was the Director, Bureau of Retirement, Insurance and Occupational Health, Civil Service Commission. In the report he made to the Congressional committee, he pointed out that the Agency did indeed liberalize the use of CIARDS in 1969 and that this did constitute a deviation from the expressed intent of Congress. He also pointed out that that was the only deviation and that the Agency, from that point on, had continued with the strict application as had been followed prior to 1969.

3. Staff Position: We believe that the integrity of CIARDS must be maintained and that the actions of the Agency in administering it should be completely responsive to the intent and spirit of the law, reflect the seriousness with

which the Agency discharges that responsibility, and leave no grounds for challenging the Agency's honesty in this matter. CIARDS is an effective tool of management and we should not court the imposition by Congress of even stricter controls as a reaction to any liberalization that exceeds or violates the intent of the Congress.

We believe, therefore, that the administration of CIARDS should not be bent in any manner from a course of the utmost propriety at any time, even as the result of any understandable but misguided desire on the part of managers to help employees whose careers are being cut short through no fault of their own.

4. Recommendation: That you reaffirm the position that CIARDS will continue to be administered strictly but fairly in observance of the regulatory criteria and the intent of the law, that no relaxation or liberalization of the criteria will be permitted to accommodate the problem of reducing surplus personnel from the DDO, and that you convey this position to top Agency managers.

F. W. M. Janney

APPROVED: /s/ Stansfield Turner
Director of Central Intelligence

DISAPPROVED: _____
Director of Central Intelligence

DATE: 26 SEP 1977

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